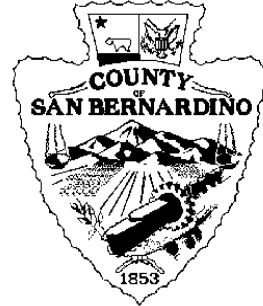


# NEWS

## From Supervisor Bill Postmus First District, San Bernardino County



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### **BOARD APPROVES INCREASED PROPERTY TAX SHARE FOR CITIES** *New Policy Fulfills Postmus Promise; Will Benefit Three Desert Cities*

SAN BERNARDINO – After 15 years as a young City hampered by revenue shortages, and after five years of prodding County officials, Hesperia's effort to secure more property tax dollars succeeded Tuesday when the Board of Supervisors approved Supervisor Bill Postmus' plan to increase the property tax dollars certain cities receive when they grow.

Thanks to the new policy, six San Bernardino County cities will receive greater shares of property tax revenues generated in areas they annex in the future. They are: Hesperia, Adelanto, Chino Hills, Fontana, Rancho Cucamonga, and Victorville. Each of these cities currently receives between zero percent (Victorville) and 5.2 percent (Rancho Cucamonga) of the property taxes generated within their boundaries. Hesperia receives 1.59 percent. The board on Tuesday adopted a policy that will provide each of those cities no less than 7 percent of the property taxes generated in areas they annex in the future.

The new policy, introduced by First District Supervisor Postmus and Fourth District Supervisor Fred Aguiar of Chino, received its third and deciding vote from Second District Supervisor Paul Biane of Rancho Cucamonga.

Postmus said the proposal had been a goal of his since before his election four years ago. "It's been a long and difficult effort, but it finally paid off," Postmus said. "We're actually going to help the High Desert receive more of its fair share of property tax dollars from the County."

The City of Hesperia's struggle brought the issue to a head in the Board of Supervisors' Hearing Chambers. After its incorporation in 1988 the city was given a low property tax share. This along with other problems left the city with inadequate funds to provide

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## PROPERTY TAX PLAN 2-2-2-2

basic services, including maintaining the 473 miles of deteriorating roads it inherited from the County. The City asked the County for help, but none was forthcoming, Postmus said.

The proposal presented to the Board pointed out the fact that cities that have not been able to get the county to agree to a higher share of taxes have often sued, and have usually prevailed. However, Hesperia missed its opportunity to sue years ago.

In 1999 and again in 2001, the City sought legislation to compel the County to improve the City's share of property taxes. In 1999 the Board unanimously opposed the legislation. In 2001 the Board opposed a newer version on a 3-2 vote. At that time the Legislature and the Board agreed that the County and the City should work the issue out among themselves.

"Over the past two and a half years, thanks to cooperation from Supervisor Aguiar, we gradually worked through the issues until this policy developed," Postmus said. During that time it was revealed that Hesperia is not alone in having the problem of a low property tax share, and there was no fair method to limit an increase only to High Desert cities. This prompted Postmus and Aguiar to modify their proposal to include all six low-tax cities.

Postmus said the 7 percent figure is the level suggested by the state Tax Equity Allocation Act of 1988. It is also much closer to the average property tax share in the County. Postmus said he feels that the new policy will encourage responsible, sustainable and orderly growth within incorporated Cities, which would be primarily responsible for providing public services to future annexed areas.

Postmus said that as the Cities develop and promote economic growth in new areas, the County as a whole will benefit as higher property values bring more tax revenues to the Cities and the County. "People who live in cities need their city governments to have adequate revenues to provide municipal services, like police protection," Postmus said. "That's why we needed to set a reasonable minimum share."

In adopting the new policy, the Board also voted to provide the increased property tax share to the Summit Valley area of Hesperia, which was annexed a year ago, and to provide all property taxes on certain commercial and industrial property to Chino Hills, since that city has no new land to annex.